

## **Historic, Archive Document**

Do not assume content reflects current  
scientific knowledge, policies, or practices.



H281.9  
F76F0  
Cap.4

# FOREIGN AGRICULTURE

February 1, 1971



U. S. DEPT. OF AGRICULTURE  
NATIONAL AGRICULTURAL LIBRARY

DOCUMENT 2121

GRANT SERIAL RECORDS

**Cotton and Blends in Western Europe**

**Pacific Horticultural Markets**

Foreign  
Agricultural  
Service  
U.S. DEPARTMENT  
OF AGRICULTURE

# FOREIGN AGRICULTURE

VOL. IX • No. 5 • February 1, 1971

## In this issue:

- 2 Western European Market for Cotton Eroded by Use of Blends By Bernice M. Hornbeck
- 5 Japan Feed Council—10 Years of Development
- 6 Potential for Horticultural Exports in the Pacific By Clint Cook
- 7 Australian Apples and Pears: Outlook Is Good
- 8 Afghanistan: Sales of Farm Goods to Dollar Markets Climb By John B. Parker, Jr.
- 10 News Briefs
- 12 Barter Program's New Look
- 13 Crops and Markets

## This week's cover:

Vending fruits and vegetables in Hong Kong—one of the important markets for U.S. horticultural exports in the Pacific. See article on page 6 for a report on the market potential in this area.

Clifford M. Hardin, Secretary of Agriculture  
Clarence D. Palmby, Assistant Secretary for International Affairs and Commodity Programs  
Raymond A. Ioanes, Administrator, Foreign Agricultural Service

## Editorial Staff:

Kay Owsley Patterson, Editor  
Janet F. Beal, Associate Editor; Faith Payne,  
Marcellus P. Murphy, Isabel A. Smith, Ann L. Barr, Jane V. Foster, Katherine Janka.

## Advisory Board:

Kenneth F. McDaniel, Chairman; Horace J. Davis,  
Anthony R. DeFelice, Robert H. Ingram, Leonard B. Kelley, Kenneth K. Krogh, J. Don Looper,  
Donald M. Rubel, Larry F. Thomasson, Raymond E. Vickery, Quentin M. West, Joseph W. Willett.

Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, \$10.00 domestic, \$13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

Contents of this magazine may be reprinted freely. Use of commercial and trade names does not imply approval or constitute endorsement by USDA or Foreign Agricultural Service.

# Western European Cotton Eroded by

By BERNICE M.  
HORNBECK

*Cotton Division  
Foreign  
Agricultural  
Service*

The increasing importance and volume of blended yarns, fabrics, and end-use products produced by textile and apparel manufacturers represent serious competition for cotton. This is particularly true in Western Europe, a market for about 7 million bales of cotton a year, roughly one-fourth of which generally comes from the United States.

Western Europe, although lagging behind the United States in the production and use of blends, seems to be rapidly increasing its use of them. In the short run, the practice of blending will probably continue to erode cotton's market in Western Europe. However, in the long run, under some circumstances and in some end uses, blending will probably conserve a larger market for cotton than might otherwise prevail.

The practice of combining textile fibers to make yarn and fabrics is not new. Blends of natural fibers have been made since antiquity, and although the origins of blending remain a mystery, the practice was not unknown in Biblical days. The Book of Deuteronomy advises "thou shall not wear a garment of diverse sorts, as of woolen and linen together." Fabrics from the 11th and 12th centuries A.D. that are blends of alpaca and cotton have been found in the caves of Peru; the linsey-woolsey of England and early colonial North America was a mixture of woolen and linen or cotton.

More recently, however, blends have moved in a new direction—the combination of manmade and natural fibers. While in the pre-World War II era, manmade fibers were used in blends, and alone, to replace and conserve limited cotton supplies in Germany, Italy, and Japan, they were disdained in the early postwar era.

However, blends are now manufactured for many other reasons—generally, to achieve lower production costs, increase profit margins, capitalize on brand-name advertising, and achieve technical characteristics and special qualities not otherwise obtainable.



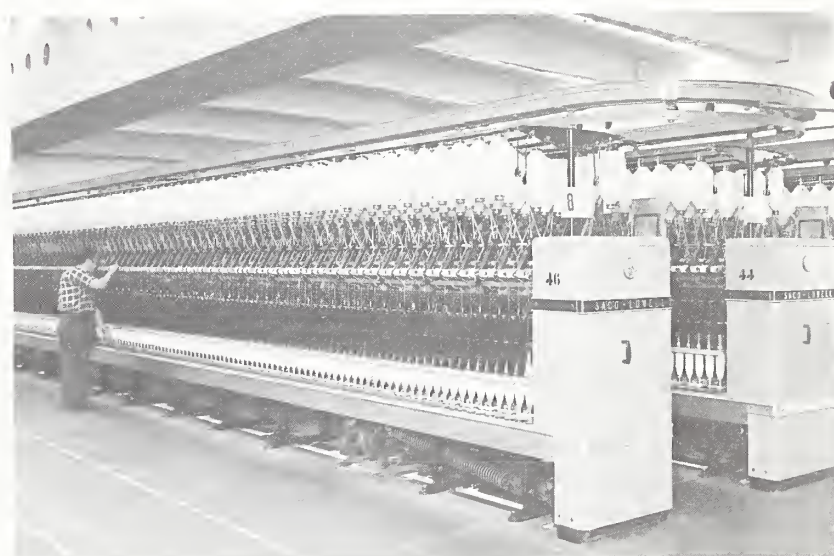
# Market for Use of Blends

In Western Europe, as in the United States, the single most important textile blend is one made of polyester and cotton fibers. The companies that produce manmade fibers prescribe the blend ratios for their brand-named and well-advertised fibers. This tends to cause a standardization of blend ratios and a high proportion of manmade fibers in blended textile products. In Western Europe the most common polyester-cotton blend is a 65-35 ratio, although a 50-50 ratio is also fairly standard in heavyweight fabrics. Sometimes rayon is substituted for the cotton portion in a 65-35 blend, so that cotton is left out completely.

Statistics on the production of blended yarn and fabrics are scarce; however, those available for a few countries of Western Europe show the growing importance of blends. For example, in the United Kingdom, blended yarns constituted just over 6 percent of total yarns spun in the years 1963-65, but by 1969 they represented 11 percent of total yarn production. In Italy, blends accounted for over 16 percent of all spun yarns in 1969, and fabrics made of blended yarns and mixed yarns accounted for 29 percent of the total.

In Western Europe, blended fabrics are more important for some end uses than others—for example, raincoats and shirts. The use of blended fabrics may increase for women's and children's dresses, blouses, and other outerwear, and even for sheets and pillowcases, which have long been among the strongholds for cotton.

The control of fiber supplies exercised by large manufacturing companies is diminishing as the patents governing the manufacturing of various fibers expire and as competition between fiber-producing companies intensifies. The patent situation on polyester is particularly relevant, in view of its importance as a blending fiber. Originally, the British patent holder ICI and its licensees on the Continent made licensing agreements including restrictive movements



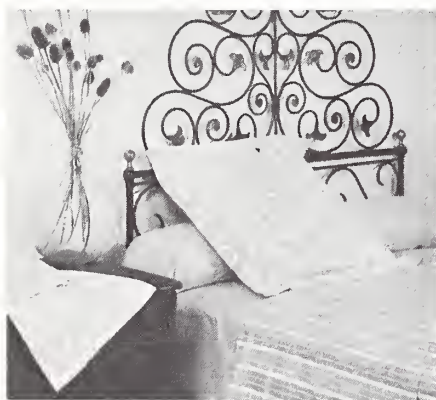
*Fabrics of cotton blended with manmade fabrics are becoming increasingly popular in Western Europe. IIC works to counter this trend by promoting all-cotton fashions like printed raincoat (top left), man's ski outfit (top right), and pique pantsuit (bottom). Advertisements stress cotton's comfortable, fresh feel and adaptability to needs of today's fashions. Factory in center is one of Belgium's chief users of cotton. Shown is draft spinning from roving to yarn.*







*Cotton campaign has a broad range. Above, children's beach wear, France; below, bed sheets, the Netherlands.*



*British designer features cotton in a pair of shipboard outfits trimmed with white piqué—bolero and pants, shift.*



that governed the distribution of polyester. Each ICI licensee was also required to obtain agreements from its customers that they would use branded polyester fibers in their blended fabrics only at prescribed blend ratios. But now, with the expiration of the most important polyester patents, the manmade-fiber manufacturers' hold over this particular aspect of fiber blending has weakened.

The larger amount of polyester fiber becoming available in Western Europe from increased imports and increased production of new suppliers has caused prices to decline. This, in turn, has encouraged textile manufacturers to produce blends that are not prescribed by manmade-fiber producers. However, the close corporate ties between fiber producers and textile mills in several countries, particularly France and the United Kingdom, will undoubtedly foster continued production of textile products with a high percentage of manmade fibers.

Manmade-fiber producers have strong technical and market research and public relations departments directed to creating outlets for their products. Their activities have included technical services at the manufacturing level, market research at the retail and consumer levels, and direct institutional advertising by brand name. By these methods, manmade-fiber producers have been able to build a prestige image for their branded products, particularly the noncellulosics, as they were introduced to the public. The same techniques are being used for the multitude of manmade fibers that have been developed with various special characteristics.

In mid-1970, the West European price spread of up to 30 cents per pound between branded and unbranded polyester represented, in part, the advertising load carried by branded fibers. Higher fiber cost for branded polyester is multiplied as it is processed and passes through the manufacturing and distributing chain; this cost is eventually reflected in the retail price of the textile product. There is little doubt that manmade-fiber promotion has been responsible for the wide acceptability of the 63-35 polyester-cotton blends, even though other ratios with lower manmade fiber content can provide the same or better end-use qualities.

In the interest of combating competition from manmade fibers, including blends, U.S. cotton interests promote

cotton abroad. This effort began in 1956, when the Cotton Council International (CCI) and cotton institutes in a number of Western European countries and in Japan, in cooperation with USDA, undertook market research and promotion programs on behalf of cotton. Compared with manmade fiber promotion, cotton's budgets are small.

More recently, the U.S. effort has been supplemented by an international effort, carried on by the International Institute for Cotton (IIC), which provides a broader financial base for cotton promotion and research. The IIC budget for Western Europe is currently about \$4 million, an amount at least matched by cooperators. Even this sum, though still small in comparison with funds available for manmade-fiber promotion and research, strengthens cotton's fight to hold and regain markets.

Aside from promotion by manmade-fiber producers, what has caused blends to be so important?

From the standpoint of the textile manufacturer, one major reason for producing blended products has been to meet consumer demand for permanent-press qualities in apparel and household textiles. Then, too—on the whole and for many reasons—branded manmade-fiber blends have been more profitable to textile and apparel manufacturers than all-cotton products. The lower prices for polyester staple have made it economically feasible for manufacturers to use polyester in carded goods instead of limiting its use to combed apparel and household fabrics. (Unfortunately, studies have shown that when cotton loses markets as a result of high prices relative to competing manmade fibers, it achieves only partial recovery when more favorable price relationships are restored.)

Retailers benefit both directly and indirectly from the heavy advertising campaigns of manmade-fiber producers, which have caused their brand names to become household words. As a result, customers shop with preconceived ideas and look for certain products or end-use qualities, such as blended permanent-press items, based on advertising paid for and often conceived by manmade-fiber producers. Although greatly improved all-cotton products are now available, permanent-press characteristics are generally associated by consumers with manmade-fiber and blended products.

*(Continued on page 16)*

# JAPAN FEED COUNCIL —

## 10 Years of Development

The Japan Feed Council (JFC) will mark its tenth anniversary this year with plenty to celebrate. Starting with feed production and ending with the marketing of consumer products, the Japanese feed and feed-related industries account for about \$20 billion of the country's GNP—about 13 percent of the total.

By the time the end-products—such as eggs, meat, or milk—reach the Japanese dinner table, a vast array of related concerns have added their goods and services to those of the feed industry. Thus, a majority of the population plays some role in the many different phases of the feed industry.

Recognizing the potential of the Japanese market, one of the first activities of the U.S. Feed Grains Council—organized in 1960—was to invite a team of Japanese Government and feed industry leaders to the United States. U.S. representatives visited Japan soon after and agreed with the Japanese leaders that the development of Japan's livestock industry would be mutually beneficial. As a result, the Japan Feed Council was organized in May 1961, to cooperate in the new effort.

The two Councils have continued to work closely, sponsoring exchanges of feed study teams, joining in promotional and educational efforts, and co-operating in industry research and technical development activities.

Membership in the JFC has grown from 33 to 300 during the decade, with a wide cross-section of the industry represented. Members include not only representatives of the feed, livestock, and poultry industries, but other related enterprises such as the machinery and pharmaceutical industries. The Council also serves such varied concerns as fertilizer manufacturers, importers and exporters, packing and processing firms, and wholesale and retail outlets.

Education has played an especially important role in the Japan Feed Council's work to further the development of the feed and livestock industries. U.S. academic and industry experts have visited Japan to lecture and give

technical advice, and Japanese representatives have participated in special courses at universities such as Iowa State and Oklahoma State.

Since 1964, five annual mill seminars have been held by JFC, emphasizing mill management and feed formulation techniques and practices. Seminar papers and lectures by both Japanese and American specialists have been published and disseminated as a source of future reference. To educate the consumer, recipes for a variety of meat, milk, and egg dishes have been widely distributed along with educational posters and pamphlets.

The promotion efforts have been especially important during the past decade. A rising standard of living has greatly altered Japanese nutrition habits, and domestic demand for poultry and livestock has skyrocketed in recent years. Per capita consumption of livestock products has jumped 800 percent for poultry meat during the decade, 340 percent for pork, 220 percent for eggs, 200 percent for milk and milk products, and 150 percent for beef.

Formula and mixed feed production has also taken great strides during the past 10 years. New, large-scale feeding ventures have helped formula and mixed feed production increase 350 percent for poultry, 700 percent for swine, 500 percent for dairy cattle, and 1,200 percent for beef cattle.

Thus, Japan's feed industry has been able to keep pace with the country's fast-growing GNP, necessitating increased feedgrain imports. U.S. feedgrains account for about 60 percent—over 6 million tons in fiscal 1970—of these imports, which are processed and converted in Japan for use by livestock and poultry farms. Corn and grain sorghum make up the bulk of the U.S. feedgrain exports to Japan.

These feedgrain shipments to Japan account for about one-third of all U.S. feedgrain exports and totaled approximately \$322 million in fiscal 1970. This is a sharp contrast to the \$14 million worth of U.S. feedgrains exported to Japan in 1960, the JFC's first year.

### PER CAPITA CONSUMPTION, JAPAN

# egg

Year	Number
1960 .....	98
1964 .....	180
1969 .....	269

# broiler

Year	Pounds
1960 .....	0.88
1964 .....	3.08
1975, forecast .....	8.14

# beef

(includes veal)

Year	Pounds
1960 .....	4.0
1964 .....	5.0
1975, forecast .....	5.4

# pork

Year	Pounds
1960 .....	2.9
1964 .....	5.7
1975, forecast .....	14.7

# milk

Year	Pounds
1960 .....	48.4
1964 .....	69.1
1975, forecast .....	90.2



# Potential for Horticultural Exports in the Pacific

By CLINT COOK  
*Fruit and Vegetable Division  
Foreign Agricultural Service*

Although U.S. exports of horticultural products to Japan, Australia, Singapore, and other Pacific markets are on the upswing, exporters should realize that for some items the market potential has barely been tapped, while for others certain restrictions may hamper trade, at least for the present.

**Japan.** Exports of U.S. fruits and vegetables to Japan reached \$35 million (f.a.s. basis) in 1969, with fresh lemons, raisins, almonds, canned peaches, and frozen vegetables the principal items shipped.

Although Japan has reduced tariffs and liberalized quotas on imports of a number of horticultural products, U.S. exports of certain items are still restricted by quotas and plant quarantine regulations. No country in the world can meet the Japanese plant quarantine regulations for pears, apples, fresh plums, peaches, and nectarines.

U.S. exports to Japan of canned peaches, which amounted to 700,000 cases in 1969-70, received a severe setback as a result of the worldwide cyclamate ban. Even though U.S. peaches were not canned with cyclamates, sales since the ban have been low and it will probably be another 6 months to a year before they return to normal.

As a result of liberalized quotas, imports of California-Arizona lemons soared from \$1.6 million in 1963 to 19 million in 1969.

Japanese consumption of U.S. raisins has also increased since liberalization and reached a new record of 23,000 short tons in the 1969-70 marketing year (Sept. to Aug.). Almost two-thirds of the raisins are used in the bakery, confectionery, and institutional trade.

During the past 3 years U.S. almond exports to Japan averaged about 7 mil-

lion pounds. However, as a result of intensive market development work the consumption pattern is changing. Two years ago 95 percent of the almonds were sold to confectioners for use in chocolate bars. Now 70 percent are used by confectioners, 20 percent processed, and 10 percent sold as cocktail almonds. Two years ago only 35 wholesalers stocked almonds; now 150 carry the product.

The removal of Japan's quota on grapefruit is scheduled for late 1971, and many importers feel that the grapefruit market may equal that for lemons. The present duty for fresh grapefruit is 20 percent on a c.i.f. basis and a seasonal duty of 40 percent is being considered for December 1 through May 1. About 75 percent of the United States grapefruit would be marketed during the high duty period.

Fresh oranges are not only under quota but also have a high seasonal duty. Based on 40-pound cartons, U.S. oranges encounter a duty of about \$1.00 per carton during the low duty period and \$2.00 during the high duty period. On the other hand, Japanese mandarin oranges face a U.S. duty of 40 cents per carton.

Fresh papayas are now being exported from Hawaii to Japan. Other fresh items that have a seasonal potential are honeydew melons (Sept.-Oct.), grapes (Nov.-Feb.), and onions (Mar. and Apr.).

It now seems that the United States will be only a residual supplier of frozen vegetables as the Japanese are concentrating their frozen food shipping and production ventures on other countries.

**Australia.** The market potential for sales of many U.S. fruits and vegetables to Australia is highly dependent on the

size of the Australian crop. Australia, an apple and pear producer, embargoes imports of these fruits on a plant quarantine basis. Both the United States and Canada have requested the Australian Government to relax this embargo. However, all six Australian States must consent before the regulation is changed.

U.S. horticultural exports to Australia were valued at \$3.5 million in 1969 with tree nuts and processed vegetables comprising the bulk of shipments.

Grapefruit is currently popular in Australia because it is an essential ingredient in several weight control diets. Prior to this publicity sales were low. In fact several growers became discouraged and pulled out grapefruit trees. Production is now only about 600,000 cartons but growers are beginning to plant more grapefruit and there is always the possibility of much higher duties when these plantings begin to bear fruit.

Traders expect the upward trend in grapefruit consumption to continue and forecast imports of 100,000 cartons of fresh grapefruit from November through March. California fruit is most popular because arrival condition has generally been good. The greatest market potential is probably for processed grapefruit products such as juice.

In the past, frozen food producers in Australia imported fruits and vegetables from the United States until the volume of sales reached a high enough level to justify local commercial production. Australia is now self-sufficient in most vegetable items except corn, lima beans, and spinach, and freezers are hopeful that it will soon be self-sufficient in beans and corn.

Prospects appear good for increased exports of a few items such as fresh oranges in January and February, grapes in November and December, and fresh lemons and avocados.

**New Zealand.** U.S. horticultural exports to New Zealand were valued at \$1.7 million in 1969, with raisins, prunes, fresh oranges, and almonds the principal items shipped.

The United States has about one-fourth of the raisin market and most sales are in consumer-size packages. Australia, whose raisins are about one cent per pound cheaper than the California product, is the principal supplier to the industrial raisin market in New Zealand.

New Zealand produces and exports large quantities of apples and pears dur-



ing the spring and early summer. The New Zealand Apple and Pear Board has a monopoly on both domestic sales and imports and can effectively control both the origin and volume of imports. At the present time imports of apples and pears from the United States are embargoed on the basis of a plant quarantine regulation stating that the fruits must be grown in an area free of brown rot. When there is a need for apples and pears they can be brought in on a plant quarantine "experimental basis." Since American producers can now meet the plant quarantine regulation the United States has requested New Zealand to reconsider the embargo.

**Singapore.** Singapore is a free port whose importers supply not only the 2 million residents of the island but also reexport to other Southeast Asian countries. Right now the island is enjoying an economic boom and food consumption is soaring. So far, sales of U.S. horticultural products to Singapore have been relatively small. Total 1969 exports were \$2.3 million with fresh oranges, raisins, and prunes accounting for the largest sales.

Singapore's two modern supermarkets stock a wide range of American canned and frozen foods, but turnover has been small. The American international brands are most popular, and buyers insist on American origin. Factors hampering exports to Singapore include high freight rates and slow service coupled with poor storage and handling facilities.

It generally takes 2 months from ordering to receipt of goods. In addition high freight rates often discourage buyers from trying new products. The rate for dried and canned fruits is \$70 a ton, oranges and apples \$2.25 a carton, grapes \$3.15 a lug, and chilled and frozen products for which a special rate has not been set \$160 a ton.

**Hong Kong.** Like Singapore, Hong Kong is a free market whose storage and handling facilities are limited. American brands of both fresh and processed fruits and vegetables are well established, with fresh oranges from California and Arizona particularly popular. U.S. horticultural exports to this market in 1969 were valued at \$13.6 million. Several traders have expressed interest in air-freighting some of the more perishable items such as grapes, plums, nectarines, lettuce, cherries, peaches, and strawberries. However, better facilities for handling these perishables are needed at

or near the airport.

Hong Kong's 16 small self-service stores prefer to import processed foods from the United States because of consistent high quality.

Although freight rates match those for the Singapore market, there are ways to reduce them. One California-Arizona exporter chartered ships for fresh fruit deliveries and the West Coast Pacific Conference cut the freight rate in half. Most of the other fruits and vegetables are purchased in small lots by importers and it is difficult to interest

ship owners in granting special freight rates.

**Taiwan.** High duties restrict the export potential of U.S. horticultural products to Taiwan. In 1969 U.S. horticultural exports to this market were valued at only \$600,000. Although the duty on raisins, the chief U.S. export, has been liberalized, it is still about 80 percent of the c.i.f. cost. Similarly, tree nuts have been liberalized and a few almond sales have been made but the duty is still 80 percent plus 11 percent new-product tax.

## Australian Apples and Pears: Outlook Is Good

Australia anticipates above-average 1971 apple and pear crops and continuation of the export patterns that appeared in 1970.

The 1971 apple crop is expected to total approximately 22 million bushels, or 2.5 million bushels more than last season's. Flowering was good to heavy in major production areas, and indications are that good to heavy crops will be harvested in all States. Heavy crops are in prospect in Tasmania, Victoria, and Western Australia, presaging fairly large and early export shipments.

Pear production, on the other hand, is likely to be significantly below the record crop harvested last year. Forecasts are now for a total production of about 8 million bushels. Although 1.8 million bushels less than last season's crop, this would still be well above average.

Australian apple exports during the 1970 shipping season were fairly large, though somewhat below the high level of 1969 and the levels of other recent years. They amounted to 7.4 million bushels. Exports to the United Kingdom, the major market, were slightly greater than in the previous season and, at 3.95 million bushels, came close to the export target of 4 million bushels for this market. Shipments to West Germany, second largest market, reached 1 million bushels.

Other major European buyers were

Sweden with 570,000 bushels, Ireland with 178,000, Denmark with 147,500, the Netherlands with 106,000, and Finland with 71,000. Norway purchased about 10,000 bushels, an increase over the 1,000 bushels purchased in 1969 but still well below the 35,000 to 40,000 bushels of earlier years.

The North American market assumed greater importance in 1970, with about 122,000 bushels of apples shipped to the United States and about 71,000 to Canada.

Although the shipping season to Pacific and Southeast Asian destinations has not yet ended, apple exports to these destinations appear to have totaled approximately 1.16 million bushels. Singapore was the major Asian market, accounting for 671,000 bushels, with an additional 70,000 bushels shipped to Malaysia. Exports to Hong Kong amounted to 186,000 bushels, and, as in the case of Malaysia and Singapore, showed a significant increase over the level of the previous season. There was also a substantial increase in shipments to all destinations in the Middle East.

Prospects for pear shipments were not promising early in the season. Few importers were interested in forward purchases. However, overall returns were not as bad as expected, and with devaluation compensation, most shipments were marginally profitable.

*(Continued on page 12)*

Afghanistan's exports of farm commodities to dollar markets—particularly horticultural products—have risen significantly in the past several years. This is partly because of increased production and improved quality—but mostly because the country has been able to pay back more of its sizable development loans from the Soviet Union with bigger exports of natural gas, thus permitting horticultural exports formerly sent to the USSR to be sold for convertible currency.

Afghanistan usually exports about \$30 million annually to the USSR to repay Soviet development loans of over \$400 million. And since 1967, the share of natural gas in these exports has risen from \$1 million to \$12 million in 1969.

In 1969-70, total Afghan exports to all markets were \$80 million, up from \$71.8 million the previous year. Afghanistan's loan payment to the USSR consisted of \$12 million in natural gas and \$18 million in other exports. Some \$50 million in exports—mainly Karakul pelts, wool, carpets, and horticultural products—were sold in convertible currency markets.

Although Afghan exports of pelts, wool, and carpets sagged under the 1968-69 total, Afghanistan's increased exports of horticultural products accounted for the increase in total exports.

Figuring prominently in the increased value of Afghan horticultural exports were large shipments of fresh grapes to South Asia and exports of raisins to Western Europe.

As a result of income earned by increased agricultural sales to dollar markets, Afghanistan's balance of payments situation seems to be improving. In 1968-69, the Afghan Government had a surplus of \$2.2 million. The 1969-70 surplus may be even larger.

Afghanistan normally imports a total of between \$125-\$140 million annually. Latest figures indicate that it imported a total of \$135 million in 1969-70. About one-fourth of total import value is normally farm-product imports.

Wheat, sugar, tea, and vegetable oils make up a major part of the country's agricultural imports. About half of the country's imports are financed through Government loans and grants.

In view of Afghanistan's prospects and its loan-repayment record, the Asian Development Bank, the World Bank group, and the International Monetary Fund have indicated they would give friendly consideration to future loan applications by the Afghan Government.

Meanwhile, the Afghans are seeking to further improve their financial situation. Significant gains in natural gas exports to the USSR are anticipated and it is likely Afghanistan will try to increase the production of crops that can be sold for hard currency.

A growing trend toward turning marginal wheat land to production of other more profitable crops is an indication of what might be done.

Afghanistan normally imports large amounts of wheat but at the same time grows sizable crops on over one-half of the country's 9 million acres of cropland. Use of high-yielding wheat varieties, with increased rates of fertilizer on irrigated land, resulted in a bumper crop of 2.8 million acres in 1969. Wheat prospects for the future looked bright.

However, drought and an inadequate snowpack during the 1969-70 winter reduced the 1970 wheat crop by about 16 percent. Yields on unirrigated lands dropped to 323,000 tons compared with 645,000 tons in 1969, while yields from irrigated land in the Helmand Valley and in some parts of northern Afghanistan increased—largely because of greater use of inputs and improved farming practices.

To meet the needs of the country in 1971, over 150,000 tons of wheat will probably be imported, including some from the United States. In 1969, the United States exported 44,127 tons of wheat to Afghanistan (much of it under Public Law 480), valued at \$2.3 million. The USSR supplied 39,100 tons at \$3.3 million. Afghanistan's imports of wheat in the last decade have fluctuated between 3,000 tons in 1965 and 140,000 tons in 1967.

Because some Afghan farmers no longer believe that the answer to their problems lies in wheat production, they are turning to other crops, particularly deciduous fruits, oilseeds, and citrus fruits. The country has outstanding natural factors which lend themselves to the production of these commodities.

For example, the 1970 drought caused major damage to the wheat, corn, and rice harvests, but production

# AFGHANISTAN



of grapes, apricots, cotton, almonds, walnuts, and some oilseed crops suffered only minor damage.

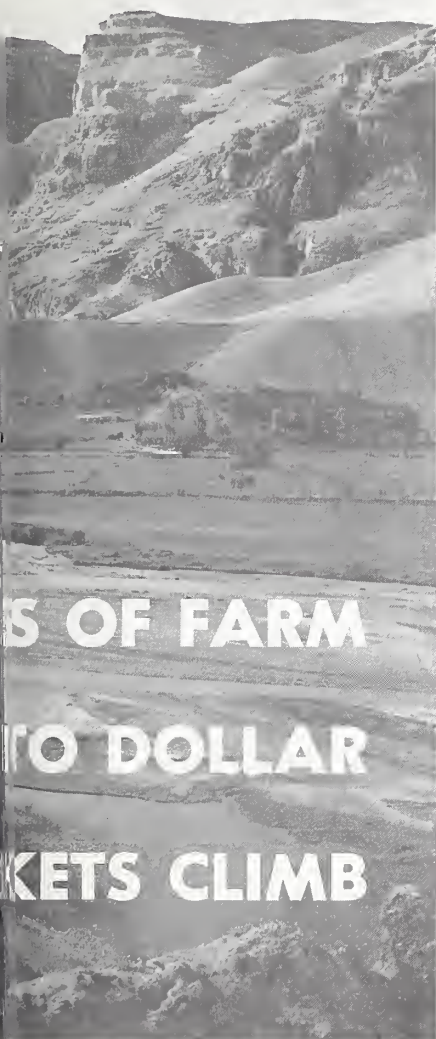
Grape production increased from 138,000 tons, the 1948-52 average, to about 210,000 tons in 1970. Vineyard areas are increasing by about 7 percent annually, and some of the new vineyards occupy land where moisture is often inadequate for good wheat yields.

Plantings of grapevines in the Kabul and Koh-i-Daman Valley have increased in the last 3 years. Grape production is expected to grow by about 7 percent annually in the early 1970's.

About one-fourth of the 1970 grape crop was exported as table fruit to



AN:



S OF FARM  
TO DOLLAR  
MARKETS CLIMB

India and Pakistan and another 60 percent was used for raisins. The Kishmish variety, resembling Thompson seedless grapes, is the leading kind. Others include Gholodan, Hussaini, Monukka, and some high-yielding varieties of red grapes.

Total Afghan exports of fresh and dried fruits currently approximate \$30 million annually, compared with about one-half this value in 1963. Yearly exports of raisins to India and Pakistan usually exceed 10,000 tons, while raisin shipments to the USSR declined from 18,000 tons in 1968 (\$4.5 million) to 13,100 tons in 1969 (\$3.7 million).

Returns from table grapes have in-

creased markedly in recent years as shipments have been allowed to traverse West Pakistan en route to India. Some farmers receive over \$500 per acre for table grapes, compared with approximately \$180 from an acre of high-yielding wheat.

Afghanistan has a variety of programs to improve the quality of its raisins. The Asia Foundation and the Swedish International Development Authority are working with the Government of Afghanistan, the Kabul Chamber of Commerce, and raisin packers to improve packing and grading.

The new Afghan Bureau of Standards has stationed inspectors in eight raisin packing plants and new cleanliness standards are being enforced. As a result of these efforts, raisin exports to Western Europe, especially the United Kingdom, have increased.

Afghanistan is a major world producer of pomegranates. Annual production is 16,000 to 18,000 tons, about 75 percent of which is exported, with shipments to India accounting for three-fourths of the total. Other customers are the USSR, Pakistan, and some Middle East countries.

Apricot production is expanding in the Helmand Valley and in some areas south of Kabul and now approximates 40,000 tons annually. Exports of dried apricots range between 2,000 and 4,000 tons yearly, largely to the USSR, India, Pakistan, Lebanon, and other Middle East countries. Shipments to the USSR reached 1,800 tons in 1969 for a total of \$490,000.

Apple production has expanded in some hill areas of northern Afghanistan where winter snowpack provides much of the moisture during growing season. Over 1,100 tons of apples are exported annually, mostly to Pakistan. Small deliveries go to the USSR, Iran, and India. Steadily growing domestic consumption accounts for most Afghan apple production.

Afghan production of potatoes, melons, and winter vegetables is also increasing. Some of these are popular in other nearby countries and trade is brisk. For example, exports of melons to Pakistan reached 18,000 tons in 1968-69.

There has been a marked rise in other Afghan fruit exports to Pakistan since a 1965 agreement was signed to allow duty-free movement of fruit between them. Afghan fresh grapes are one fruit marking up an increase.

Meanwhile, Afghanistan is importing larger quantities of Pakistani oranges and canned fruits.

Afghan growers have planted new orange groves in the vicinity of Jalalabad but at relatively high cost. Afghanistan hopes to reduce imports of citrus fruits and possibly have some domestic supplies for export to the USSR.

Afghan cotton growers—encouraged by higher prices and improved marketing facilities—have responded to greater demands from new textile factories near Kabul by planting two successive heavy cotton crops. Production of lint cotton in 1970 approximated 32,000 tons, about 50 percent above the 1966 level, but slightly below the bumper crop of 1963.

The 1970 crop will do little to alleviate the country's shortage of edible oils. The 1970 cottonseed outturn was 64,000 tons, compared to 58,000 tons the year before, and produced the equivalent of less than 10 percent of the country's oil imports.

The USSR usually takes over one-half of Afghanistan's cotton exports. Czechoslovakia and Hong Kong purchase most of the remainder.

Karakul exports normally range between \$12-\$17 million a year, but in recent years have fallen below the peak levels of 1959-60 and 1963-64. The United States and the United Kingdom are major Karakul markets.

Afghanistan's exports of wool—mostly to the USSR and Czechoslovakia—declined from \$10.4 million in 1962 to a low of \$4.6 million in 1967. The Afghan Government is promoting programs to provide winter shelters and feed supplements for sheep to provide more pelts and wool for future exports.

Afghanistan is a large exporter of various types of nuts, particularly almonds, pistachios, and walnuts. Almond trees flourish in irrigated valleys and on hillsides in southern Afghanistan. Farmers are using improved varieties and fertilizer and output is rising.

The United States, the USSR, Lebanon, and India are leading markets for Afghan pistachio nuts. Most of these are harvested in western Afghanistan where they grow wild, alternating in biennial cycles of good and bad crops. New commercial plantings of pistachios are expected to provide Afghanistan with a steadier source of export supply. The USSR is also a major customer for Afghanistan's walnuts, production of which is 15,000-18,000 tons a year.

## Europeans Take Measures To Fight Continuing Epidemic of Newcastle Poultry Disease

Several European countries, primarily the United Kingdom, are experiencing outbreaks of Newcastle poultry disease and are taking measures to prevent its spread.

In the United Kingdom, where the epidemic has killed an estimated 6 million birds, the Ministry of Agriculture recently announced approval of the use of live vaccine to control the disease. The country first tried to control it by a slaughter-indemnity payment program and then by inactivated virus vaccine, which is more costly and not as efficient as live vaccine.

Authorization of live virus could eventually force the United Kingdom to reevaluate its barrier against imports of frozen, uncooked poultry meat from countries such as the United States using live virus vaccine. The Ministry said it will be necessary to make arrangements to prevent the U.K. market from being undermined by unduly low-priced imports. Possible plans are quotas or a levy system.

The decision to use live vaccine was based on the results of 6 weeks of intensive field trials and was in general received favorably by producers and the National Farmers Union.

Although faint signs that the U.K. epidemic may be burning itself out have appeared recently, the pattern and frequency of outbreaks during December tend to belie such hopes. However,

restrictions on movement of poultry within and out of infected areas appear to have been successful in preventing serious spread of the disease.

In the Netherlands, a good many flocks have become infected and are being killed under a Government slaughter-indemnity program. The Ministry of Agriculture has also urged farmers to immunize all their flocks. The country expects to have the disease under control within a few weeks. However, several Western European countries have banned the importation of Dutch hatching eggs, market eggs, and baby chicks. These include West Germany—which takes over 30 percent of Dutch eggs—Belgium, and France. Switzerland has banned imports of Dutch slaughtered poultry; Germany, imports of live poultry.

The financial consequences of these bans against Holland will be substantial. Imports by West Germany of Dutch hatching eggs may be resumed, however, if the eggs originate on farms free from the disease and if the flocks have been immunized. Meanwhile, the Dutch Ministry of Agriculture will help support the price of eggs by permitting exporters to store fresh eggs.

In Germany, stricken farms are being quarantined and allowed to market only cooked poultry products. Farmers are being urged to vaccinate their flocks and the disease reportedly is subsiding.

## Record Cotton Crop In Soviet Union

According to TASS news agency, State purchases of seed cotton from farms in the Soviet Union in 1970-71 totaled 6.9 million tons, equivalent to about 10.8 million bales. This compares with production of 8.9 million bales in 1969-70 and the previous record of 9.3 million bales.

Russian exports of cotton in 1970-71 are not expected to increase in line with the record crop, however. Domestic consumption is likely to reach 8.2 million bales, up 400,000 from the level of the previous year. Some rebuilding of stocks is also expected from the relatively low estimated level of 1.2 million bales at the beginning of the current season. At that level, stocks would represent less than 2 months' domestic consumption.

## U.S. Cattle to Chile

The latest air shipments of U.S. Polled Hereford breeding beef cattle to Chile were completed on December 13, 1970.

More than 2,000 cattle began leaving in stages in late November from Wichita Falls, Texas. They were flown in a DC-8 Stretchjet in seven air lifts, bringing total air shipments to Chile to 9,000 head. (The first air shipment was made about a year ago.)

Chile will use the cattle in developing beef cattle herds to supply more domestic beef and to utilize its vast expanses of grass from the foothills of the Andes to the Magellan Straits.

The latest shipments—plus a shipment by freighter of some 3,000 head 3 years ago—brings total U.S. sales of the breed to Chile to about 12,000 head during the period.

## New Zealand and Ireland Airship Fresh Lamb To Canadian Markets

New Zealand and Ireland are using the airways to ship fresh lamb to Canadian markets, according to a recent news article in the New Zealand Herald. The newspaper said the "down under" country airfreighted more than 100 tons of lamb to Canada in 1969. Current Irish air trade to Canada is about 7 tons of lamb a week.

The New Zealanders, who had upped their tonnage by 52 percent between 1968 and 1969, said the quantity would have been larger but for technical problems in airfreighting the fresh meat. In an effort to overcome these difficulties, two experimental shipments using specially insulated containers were made in early December 1970. Normal shipments were expected to start later in the month.

New Zealand opened air trade with Toronto and Montreal in 1970's marketing season. Canadian Pacific Airlines and Air New Zealand services were used. This season it is hoped also to use the recently inaugurated American Airlines flight that goes from Auckland to New York via Honolulu, or an alternative flight via Chicago. Short transshipments would be required in either case.

New Zealand plans to export 3,000 to 4,000 tons of lamb to Canada in 1971. In 1970, between 2,500 and 3,000 tons were sent.

A bulletin from the Agricultural Development Council, which reported the Irish activity, said that flights were being made from Ireland twice a week. Ireland is currently shipping 200 carcasses a flight, according to the council, but expects to increase it to 250 in the future. The lambs are killed one day and flown to Canada the next.

The Council's bulletin said that the Irish have recently placed considerable emphasis on the desirability of expanding Irish sheep numbers to capitalize on a profitable lamb market if and when the Republic becomes a member of the European Community.

The report also notes that, according to the latest livestock census, Irish sheep numbers were continuing to drop and that Ireland's national sheep committee emphasized that the sheep industry is of prime importance to agriculture and the national economy.



## Exports Under CCC Credit To Be Up

Exports under the Commodity Credit Corporation's (CCC) Export Credit Sales Program are headed for a substantially higher total in fiscal 1971 than in the previous year. Midway in the year, on December 31, 1970, shipments under the program reached \$164 million, compared with \$211 million for all of fiscal 1970.

Topping the list of commodities sold under the program in the past 6 months were grains—headed by wheat, which accounted for exports of \$45 million. Other commodities shipped under CCC credit arrangements include cotton and cottonseed oil, lard, prunes, raisins, soybean oil, tallow, and tobacco.

Shipments were made to some 30 countries, led by the United Kingdom, which made significant tobacco purchases under the program. Other major buyers were scattered throughout the globe, with Romania, the Philippines, South Korea, Morocco, and Greece among the more significant.

The CCC credit program, administered by the Export Marketing Service, is one of the techniques used by USDA to promote private commercial trade. It makes credit available for a usual period of 12 months and can go up to 3 years. This helps meet credit terms of other exporting nations.

## EC Withdraws Its Cow Slaughter Plan

The Common Market Executive Commission has withdrawn its September 14 proposal to pay premiums to farmers with small dairy herds as an incentive to have all their animals slaughtered in 1971.

Purpose of that proposal was to reduce the oversupply of milk and milk products on the Community market. However, the dairy situation is less acute than it was earlier this year. In addition, the decline in pork prices is worrying Community experts who want to prevent additional beef from these slaughtered cows from competing with pork and perhaps forcing prices down further.

Payments were to have been made to farmers who disposed of their entire herds and withdrew from dairy production for 5 years. The premium was to be \$200 a head for the first 10 cows and \$130 for each cow thereafter.

## U.S. Strengthens Dairy-Product Import Controls On Four Additional Items Used by Processors

Import quotas have been established on four additional dairy products, strengthening the control system already applicable to most dairy items.

Products affected are ice cream, animal feeds containing milk or milk derivatives (commonly known as calf replacers), chocolate crumb containing 5.5 percent or less butterfat, and certain cheese containing 0.5 percent or less by weight of butterfat—also known as skim milk manufacturing cheese. These items are used mostly by processors rather than by consumers.

The annual quotas, for which there are specific shares for supplying countries, are as follows: ice cream, 431,330 gallons; animal feeds, 16,300,000 pounds; chocolate crumb, 4,680,000 pounds; low-fat cheese, 8,901,000 pounds.

The quotas were established by Presidential Proclamation on December 31, 1970, and became effective the following day. Promulgation of the quotas completed an action initiated earlier in 1970 by Secretary of Agriculture Clifford M. Hardin under Section 22 of the Agricultural Adjustment Act, as amended. Section 22 provides for limitations on imports, following an investigation by the Tariff Commission and a Presidential determination, of items found to be interfering or likely to interfere with the price support program for milk and butterfat. In the report of its investigation, the Tariff Commission unanimously found that there was such interference and that quota controls were necessary.

In recommending the Section 22 action to the President, Secretary Hardin had pointed out that all the items concerned appeared recently in international trade and that the effect of their importation was that existing dairy import controls had been circumvented. Imports of the milk-containing feeds began in 1968; the other three items appeared in international commerce after the previous Section 22 action, completed January 6, 1969.

The Presidential Proclamation provides that the representative period of trade for the purpose of determining the quotas is calendar years 1967-1969, inclusive. Allocations within the quotas to supplying countries are based on their shares of imports, taking special factors into account, during the 12

months July 1969-June 1970.

The quotas for ice cream and animal feeds are to be administered by the Bureau of Customs on a first-come-first-served basis within the country allocations; import licenses are not required. The quotas for chocolate crumb and the low-fat cheese require import licenses issued by the Department of Agriculture beginning July 1, 1971. Between January 1 and July 1, 1971, these quotas are to be administered by the Bureau of Customs in the same manner as for the other two items. The Department of Agriculture will issue necessary public announcements and regulations concerning import licensing.

## Large World Corn Crop

World corn production in 1970 is estimated at 242 million metric tons, 2 percent below the 1969 record and the second largest crop of record.

The U.S. crop, at over 104 million tons, was 10 percent below the 1969 crop and 14 percent below the 1967 record. Canada produced a record 2.5 million tons, well above 1969.

The West European harvest was 16.4 million tons, up 18 percent, with records set in France, Italy, and Spain. East European production, at 21.5 million tons, was off 7 percent. The USSR had 10.9 million, up 10 percent.

Asia's corn crop is estimated at 29.5 million tons, up 4 percent.

## U.S. Wheat to Japan Hits Alltime High

U.S. wheat shipments to Japan in calendar 1970 hit an alltime high of 102 million bushels, according to preliminary Bureau of Census data on wheat and wheat flour exports in January-November 1970 and on December inspections of wheat for export. These shipments represent a 36-percent increase over the 75 million bushels exported in 1969.

Total foreign imports of wheat by Japan also probably reached a new record in 1970.

The larger imports are due to the rising population in Japan and declining domestic production. Per capita wheat consumption in Japan has been holding its own at about 69 pounds per year in recent years.

(Continued from page 7)

Pear exports totaled about 2.06 million bushels, only slightly below the record of 1966. The United Kingdom was the major market, taking over 740,000 bushels. Some 265,00 bushels were shipped to the United States, second largest outlet and largest customer outside Western Europe. Ireland took 11,500 bushels, France 254,000, the Netherlands 170,000, Sweden 102,000, West Germany 82,000, Norway 49,000, and Belgium and Luxembourg, 47,000.

Canada is also a growing outlet for Australia's pears, taking about 29,000 bushels in 1970. Other major markets were Singapore and Malaysia, which took about 164,000 and 6,900 bushels respectively, and Hong Kong, which accounted for 124,000 bushels.

Because of the relatively small crops harvested in most Southern Hemisphere countries in 1970, Australian exporters expected to do reasonably good business this past year. However, the large carryover of Northern Hemisphere fruit at the beginning of the season, and the consequent import-licensing restrictions imposed by the European Community, caused market prices for apples in most major markets to remain low for a substantial part of the shipping season.

This situation was aggravated by the short-lived British dock strike in mid-July, which necessitated the costly diversion of fruit to European ports. After the strike ended prices declined rapidly when fruit—some in poor condition and resisted by consumers—came back onto the market. For a large part of the season, returns to exporters were barely profitable.

However, the decision of the Commonwealth Government to continue devaluation compensation to the industry—at the rate of about US\$0.56 per bushel for apples and US\$0.59 for pears—gave some relief, particularly to those who had shipped apples and pears on free consignment.

Australia is expected to maintain a steady upward trend in fruit trade with North America in the next few years, and has taken steps to improve quality standards and shipping arrangements. The Australian Apple and Pear Board hopes to place about 300,000 bushels of pears and about 150,000 bushels of apples in the U.S. market this coming season.

With market prospects in the United Kingdom and Western Europe deteriorating, Australia is also expected to

place increased emphasis on developing other markets in the Middle East and Southeast Asia. There has been a steady increase in sales to Singapore and Malaysia in the past 2 years, and this market is now Australia's third largest

outlet for apples. Trade with Hong Kong is expanding steadily, but the hoped for development of a significant market in the Philippines did not materialize, due to that country's balance of payments difficulties.

## Barter Program's New Look sets records as it builds export markets

The U.S. Department of Agriculture's barter program originated in the 1950's in the age-old pattern of swapping value for value—in this case, surplus agricultural commodities for strategic materials, chiefly minerals.

Today, the program is entirely different. It is a technique for building agricultural export markets, keeping U.S. export prices competitive, and at the same time helping the U.S. balance of payments. In the process, it is setting new records in volume of business, the Export Marketing Service reports.

During the first half of fiscal 1971, barter contracts exceeded the same period a year earlier by approximately 88 percent—\$423.9 million compared with \$225.9 million. This indicates that new highs will probably be achieved again in fiscal 1971.

Total contracts in fiscal 1970 peaked at \$486.6 million, an increase of 78 percent over fiscal 1969's \$272.7 million. Actual exports under the program in fiscal 1970, which normally lag behind contracting, amounted to \$467.7 million, also a new record.

Barter commodities were exported to 111 countries and areas during fiscal 1969. The largest recipient country was Taiwan, which received agricultural commodities valued at \$46.9 million. Other major recipients in fiscal 1970 were the United Kingdom, \$34.9 million; Brazil, \$25.5 million; Japan, \$24.6 million; Spain, \$24.5 million; Canada, \$17.5 million; The United Arab Republic, \$16.3 million; and Peru, \$14.1 million.

Commodity export values under the program for fiscal 1970 were: Tobacco,

\$140 million; wheat and flour, \$89.4 million; cotton, \$76.8 million; feed-grains, \$58.6 million; tallow and grease, \$47.2 million; vegetable oils, \$45 million; and rice, \$10.6 million.

Agricultural commodities currently available for export under barter are wheat, wheat flour, corn, barley, grain sorghums, oats, milled and brown rice, cotton, tobacco, cottonseed oil, soybean oil, inedible tallow and grease, flaxseed and linseed oil.

In a typical barter transaction today, the private contractor agrees with the Commodity Credit Corporation to purchase an eligible U.S. agricultural commodity on the open market and sell it to a buyer in an eligible country.

The contractor uses the sales proceeds to provide funds for the purchase of goods or services overseas by a U.S. Government agency. The participating agency certifies that the supplies and services purchased with these funds are necessary and would have been purchased abroad with appropriated dollars in the absence of funds provided by the barter transaction.

After the transaction is completed abroad, the involved Government agency transfers appropriated funds in the United States to CCC, which in turn compensates the U.S. exporter of the original commodity. A nominal sum is paid the contractor for financing offshore procurement and for arranging agricultural exports to eligible overseas destinations.

From the beginning of the program through June 30, 1970, CCC received almost \$1.6 billion as reimbursement from other Government agencies.



# CROPS AND MARKETS

## Grains, Feeds, Pulses, and Seeds

### Weekly Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Jan. 27	Change from		A year ago
		Dol.	Cents	
		per bu.	per bu.	per bu.
Wheat:				
Canadian No. 2 Manitoba .....	2.08	0		2.00
USSR SKS-14 .....	2.06	+1		1.78
Australian FAQ .....	1.89	+1		1.75
U.S. No. 2 Dark Northern				
Spring:				
14 percent .....	2.10	0		1.91
15 percent .....	2.13	0		1.98
U.S. No. 2 Hard Winter:				
13.5 percent .....	1.99	-1		1.76
USSR-441 Yellow Winter .....	1.94	+1		( <sup>1</sup> )
Argentina .....	( <sup>1</sup> )	( <sup>1</sup> )		1.73
U.S. No. 2 Soft Red Winter ...	1.93	-1		1.66
Feedgrains:				
U.S. No. 3 Yellow corn .....	1.85	-2		1.51
Argentina Plate corn .....	1.88	+1		1.49
U.S. No. 2 sorghum .....	1.65	+1		1.47
Argentina-Granifero sorghum	1.61	+2		1.27
Soybeans:				
U.S. No. 2 Yellow .....	3.46	+3		2.97
Import levies:				
Wheat .....	1.42	+2		1.66
Corn .....	.64	+2		.91
Sorghum .....	.74	+1		.93

<sup>1</sup> Not quoted. Note: Basis—30- to 60-day delivery.

### World Rye Production Continues Downtrend

World rye production in 1970 is estimated at 26.9 million tons, 4 percent below the 1969 level and 9 percent below the 1964-68 average. Total area was up 3 percent for the year but 20 percent under the 5-year average.

The Canadian rye crop, at 570,000 tons, was up 36 percent and the U.S. harvest gained 22 percent at 979,000 tons. The

#### RYE PRODUCTION IN SPECIFIED AREAS

Country or area	1969		1970	
	1,000	metric tons	1,000	metric tons
Canada .....	419		570	
United States .....	802		979	
Western Europe .....	5,006		4,568	
Eastern Europe .....	10,841		7,908	
USSR .....	9,800		12,000	
Other .....	1,147		871	
World total .....	28,015		26,896	

West European crop, at 4.6 million tons, declined 9 percent and the East European, at 7.9 million tons, was off 27 percent. The USSR produced an estimated 12 million tons of rye, up 22 percent from the 1969 level.

A detailed table and analysis appear in the January *World Agricultural Production and Trade—Statistical Report*.

### World Wheat Production Slightly Lower

The 1970 world wheat harvest is estimated at 285 million metric tons, 1 percent below the 1969 crop but 4 percent above the 1964-68 average. World wheat area was down 5 percent for the year.

Canada produced 9 million tons of wheat in 1970, 52 percent below the 1969 level. The United States had a 37.5-million-ton harvest, down 6 percent. The Argentine crop at 4.2 million tons, was the lowest since the 1960 harvest.

The West European wheat outturn totaled 43.5 million tons, down 4 percent, and the aEst European was down 10 percent at 22.9 million tons. The USSR crop is estimated at 77.5 million tons, up 24 percent. Australia produced 8.4 million tons, off 22 percent.

A detailed table and analysis appear in the January *World Agricultural Production and Trade—Statistical Report*.

#### WHEAT PRODUCTION IN SPECIFIED AREAS

Country or area	1969		1970	
	1,000	metric tons	1,000	metric tons
Canada .....	18,623		9,022	
United States .....	39,740		37,516	
Argentina .....	7,020		4,230	
Western Europe .....	45,290		43,525	
Eastern Europe .....	25,436		22,928	
USSR .....	62,300		77,500	
Asia .....	66,274		68,125	
Australia .....	10,835		8,437	
Other .....	12,014		16,342	
World total .....	287,532		284,625	

## Tobacco

### U.S. Sends Less Tobacco to the EC

The six countries of the European Community make up the world's largest tobacco-importing area. The United States is easily the largest supplier, providing nearly one-third of all imported unmanufactured leaf from outside the Community.

If the Common Agricultural Policy for tobacco, as established by the EC for the 1970 crop, is continued in the period ahead, the United States is expected to find it increasingly difficult to maintain its reasonable share of that market. Such

features of the raw tobacco CAP as high guaranteed prices, with no automatic production control, and provisions for buyer's premiums and export subsidies will encourage local production. Also, preferential duties from associated territories are expected to expand imports from those areas.

U.S. exports of unmanufactured tobacco to the Community are already trending down. During January-November 1970, exports of unmanufactured leaf were 136 million pounds, down about 29 million, or 17 percent, from the 165 million pounds in the same period of 1969. The cumulative value of \$117 million was also down 13 percent from 1969.

#### U.S. EXPORTS OF UNMANUFACTURED TOBACCO TO THE EUROPEAN COMMUNITY

Item	Quantity		Value	
	1969	1970	1969	1970
	1,000 pounds	1,000 pounds	1,000 dollars	1,000 dollars
Netherlands .....	31,323	25,633	20,974	18,723
Belgium-Luxembourg ...	16,703	10,903	12,941	9,079
France .....	6,434	7,989	4,513	6,395
Germany, West .....	101,180	88,524	88,968	80,560
Italy .....	9,380	3,100	8,029	2,481
Total EC .....	165,020	136,149	135,425	117,238
	Percent	Percent	Percent	Percent
Change, EC .....	—	-17.5	—	-13.4
	Cents	Cents	Cents	Cents
Average value .....	—	—	82.1	86.1

### Spain Makes Large Purchase of U.S. Tobacco

According to a recent report from the U.S. Agricultural Attaché in Madrid, Spain, the Spanish Tobacco Monopoly in January completed a sizable purchase of U.S. flue-cured and burley leaf tobacco. The purchase reportedly totals about 6.2 million pounds, consisting of 4.8 million pounds of flue-cured, 1.2 million of burley, and 110,000 of Maryland leaf. Recent annual exports to Spain were 5.5 million pounds in 1968 and 4.1 million in 1969.

### Greek Burley Exports Continue To Expand

During the 1969-70 marketing year Greek burley tobacco exports reached a new high of 19.2 million pounds, a 20-percent increase over the previous crop. The European Community is the principal foreign outlet, receiving over half

#### GREEK BURLEY TOBACCO EXPORTS

Destination	Marketing year beginning July 1				
	1969-70				Value per pound
	Average 1962-66 <sup>1</sup>	1967-68 <sup>1</sup>	1968-69 <sup>1</sup>	Quantity	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	U.S. cents
West Germany ...	4,254	10,190	7,952	8,677	62.6
Austria .....	221	—	556	478	56.7
Switzerland .....	137	454	350	684	64.9
Netherlands .....	207	18	40	551	62.1
Belgium .....	89	313	1,171	542	54.9
Italy .....	31	66	410	849	43.1
Egypt .....	293	1,887	4,118	3,997	63.1
Finland .....	22	253	75	430	36.7
United States .....	—	161	256	862	43.1
Others .....	473	443	1,058	2,174	—
Total .....	5,727	13,785	15,986	19,244	60.3

the total, with West Germany the major market. Egypt also is a principal outlet, receiving about 4 million pounds in the past year. Some purchases have been credited to the United States for the past 2 crop years, with those during 1969-70 the third largest for a single country.

Export values for the past year averaged 60.3 U.S. cents per pound. Growers' prices for the 1969 crop were the highest on record, and Greek industry leaders fear that these high prices could have an unfavorable impact on competition for the European Community tobacco market.

### U.S. Cigarette Consumption Rises

Taxable removals of cigarettes from factories are the best indication of domestic consumption within the United States. After reaching a peak during 1967, consumption turned down during 1968 and 1969, according to removal rates. But since June 1970, consumption has turned up every month, and it soared over 13 percent in November. This was the largest percentage gain for any month since February 1968.

The January-November total for cigarette consumption increased to about 492 billion pieces, 4 percent above the level of the same period last year. The especially high rate of upturn in October and November can be partly accounted for by the national distribution of a number of new brands.

If the cigarette removal rate during December equaled the average of the past 3 years (36.6 billion), the 1970 volume reached a new record exceeding the annual peak of 527.8 billion pieces in 1967.

Cigarette exports and other tax-exempt shipments through November 1970 are also at a record high level of 26.8 billion.

Though the manufacture and consumption of cigarettes may be reaching new record high levels, it is believed that the leaf requirement for this output may not be keeping pace. Technological developments within the industry, including the increase in filter-tipped cigarettes, are continuing to require less leaf per unit of output.

## Fats, Oils, and Oilseeds

### Peruvian Fishmeal Stocks Increasing

Peru, the leading producer-exporter of fishmeal and the largest single competitor with U.S. exports of soybeans and meal, has been building fishmeal stocks. Stocks on January 1, 1970, are estimated to approximate 725,000 short tons—equivalent to the protein content of nearly 50 million bushels of soybeans or over 1 million tons of soybean meal.

These stocks, the largest since March 31, 1968, could in-

#### PERUVIAN FISHMEAL EXPORTS BY QUARTER

Year beginning October 1	Net exportable supply	Exports	Ending stocks	Exports as share of exportable supply
	1,000 short tons	1,000 short tons	1,000 short tons	Percent
1967-68 .....	2,561	2,111	450	82.4
1968-69 .....	2,285	2,175	110	95.2
1969-70 .....	2,393	2,033	360	85.0
1970-71 .....	2,660	—	—	—



crease further in the January-March 1971 quarter if the traditional trend prevails through the period.

The increase in stocks reflects improved catches in recent months, which boosted the estimated October-December 1970 fishmeal output to 725,000 tons—174,000 over the same months in 1969 and the largest for that quarter since 1967.

If Peru's 1970-71 catch continues its unbroken chain of increases of the past 5 years (see *Foreign Agriculture*, Dec. 21, 1970), production should at least approximate if not exceed last year's record volume, even with a possible decline in the meal extraction. With an estimated fish catch of 12 million short tons, against 11.7 million tons in 1969-70, and with a meal extraction rate of 19.5 percent, against 19.8 percent in 1969-70, production could amount to 2.34 million tons, compared with 2.32 million in 1969-70. This volume, plus carry-in stocks on September 30, 1970, of 360,000 short tons, would add up to a total supply of 2.7 million tons, of

#### PERU'S FISHMEAL PRODUCTION, EXPORTS AND STOCKS

Item	1968-69		1969-70		1970-71 <sup>1</sup>	
	Quan- tity	Share of year total	Quan- tity	Share of year total	Quan- tity	Share of year total
	1,000 short tons	Per- cent	1,000 short tons	Per- cent	1,000 short tons	Per- cent
Oct.-Dec.:						
Production .....	659	35	551	26	725	31
Exports .....	666	30	317	17	350	16
Apparent change in stocks .....	-7	—	+234	—	+375	—
Stocks, Dec. 31 <sup>2</sup>	432	—	338	—	725	—
January-March:						
Production .....	643	34	832	39	775	33
Exports .....	567	26	674	36	—	—
Apparent change in stocks .....	+76	—	+158	—	—	—
Stocks, Mar. 31 <sup>2</sup>	496	—	485	—	—	—
April-June:						
Production .....	465	25	642	30	700	30
Exports .....	626	29	587	31	—	—
Apparent change in stocks .....	-161	—	+55	—	—	—
Stocks, June 30 <sup>2</sup>	318	—	535	—	—	—
July-September:						
Production .....	116	6	295	6	140	6
Exports .....	316	15	455	16	—	—
Apparent change in stocks .....	-200	—	—	-160	—	—
Stocks, Sept. 30 <sup>2</sup>	110	—	—	360	—	—
Total:						
Production .....	1,883	100	2,320	100	2,340	100
Exports .....	2,175	100	2,033	100	—	—
Net apparent change in stocks .....	-292	—	+287	—	—	—
Apparent domes- tic consumption	11,000	—	11,700	—	<sup>3</sup> 12,000	—
Reported catch ...	48	—	37	—	40	—
Apparent extrac- tion .....	—17.1	—	19.8	—	<sup>3</sup> 19.5	—

<sup>1</sup> Projected. <sup>2</sup> Adjusted for domestic consumption. <sup>3</sup> Estimated.

which only 40,000 would be used domestically.

Total exportable supplies of Peruvian fishmeal in 1970-71 would thus approximate 2,660,000 tons, up by nearly 270,000 tons from the 1969-70 level. The increase, equivalent to about 390,000 tons of soybean meal, is expected to lead to larger exports in 1970-71 unless further substantial increases in stocks or production cuts are invoked by the Government.

## Fruits, Nuts, and Vegetables

### EC Reports Higher Tree Pulling Subsidy

The European Community reports higher subsidy rates to producers uprooting table apple, pear, and peach orchards. Maximum rates have been increased to about \$324 per acre, retroactive to January 1, 1970. The subsidy was introduced during 1969 as part of a program to cope with fruit surpluses through acreage reduction. At that time, the maximum rate was about \$202. Recipient producers are required to forego new plantings for a period of 5 years.

### Products Exempted from Austrian Border Tax

The Austrian Ministry of Finance has announced that, effective January 1, 1971, imports of a number of commodities will be exempt from border tax for a period of 6 months. If necessary, the exemptions may be extended for anti-inflation reasons. U.S. shipments of dried prunes are among the items expected to profit by this action.

The following is a partial listing of products exempted:

B.T.N. <sup>1</sup>	Product	Border tax rate Percent
08.04 B	Dried grapes .....	6.25
08.05 B	Walnuts .....	6.25
08.05 D	Chestnuts .....	6.25
08.05 E	Pinenuts .....	6.25
08.05 F	Other nuts .....	6.25
08.12 A	Dried prunes & quetsches <sup>2</sup> .....	7.75

<sup>1</sup> Brussels Tariff Nomenclature. <sup>2</sup> Brandies made from plum juice.

## Crops and Markets Index

### Fats, Oils, and Oilseeds

#### 14 Peruvian Fishmeal Stocks Increasing

### Fruits, Nuts, and Vegetables

#### 15 EC Reports Higher Tree Pulling Subsidy

#### 15 Products Exempted from Austrian Border Tax

### Grains, Feeds, Pulses, and Seeds

#### 13 Weekly Rotterdam Grain Prices and Levies

#### 13 World Rye Production Continues Downtrend

#### 13 World Wheat Production Slightly Lower

### Tobacco

#### 13 U.S. Sends Less Tobacco to the EC

#### 14 Spain Makes Large Purchase of U.S. Tobacco

#### 14 Greek Burley Exports Continue To Expand

#### 14 U.S. Cigarette Consumption Rises



United States Department of Agriculture  
POSTAGE & FEES PAID

If you no longer need this publication, check here ☐ return this sheet, and your name will be dropped from mailing list.

If your address should be changed ☐ PRINT or TYPE the new address, including ZIP CODE, and return the whole sheet to:

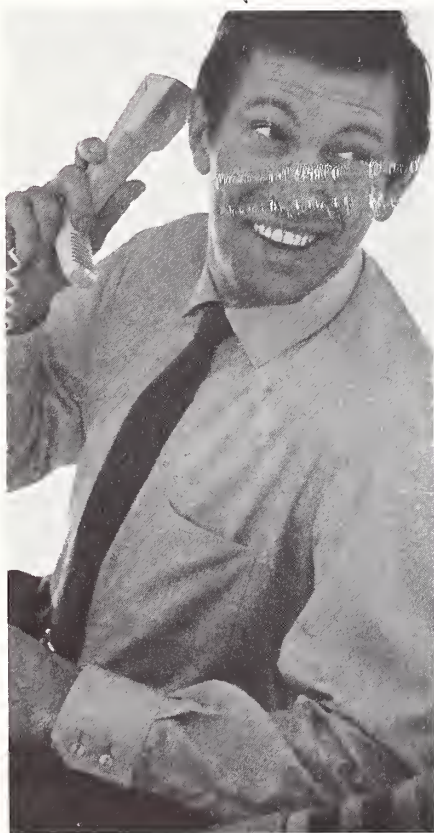
Foreign Agricultural Service, Rm. 5918  
U.S. Department of Agriculture  
Washington, D.C. 20250

Foreign Agriculture

0006 UNALBBPISB422 10001 0001  
USDA NAT AGR LIB BELTSVILLE  
BR  
PLANT INDUS STA  
BELTSVILLE MD 20003

## Cotton and Blends in Western Europe

(Continued from page 3)



*"Cotton makes it smooth," says the advertisement for this colored shirt specially selected by IIC to be promoted in British stores and shops.*

Also exerting pressure on cotton in Western Europe is the continued expansion of manmade-fiber production, particularly of polyester, most versatile of the manmade fibers. The already large and still increasing volume of manmade fibers creates the need for their disposal in both blended and 100-percent-manmade products.

Cotton interests have traditionally supported promotion of only 100-percent-cotton goods. A similar policy was followed by the wool interests until a few years ago, when they found it to their advantage to promote specified blends of wool and manmade fibers for specific end uses.

In September 1970, however, the Cotton Producers Institute, a cotton group organized in 1967 to promote cotton in the United States, moved away from the traditional position by indicating willingness to promote cotton blends under some limited circumstances. Neither the International Institute for Cotton nor the Cotton Council International has made such a change of policy—for numerous reasons, including the limited budgets available to them for cotton research and promotion of all kinds.

The promotion of blends with low manmade-fiber and high cotton content

for specified end uses may be to the advantage of cotton interests in Western Europe and elsewhere, if the long-term prospects for retaining or gaining a sizable share of specific end-use markets could be foreseen. Price relationships, the amount of money available for promotion, the possibility of obtaining improved permanent-press characteristics with all-cotton, and other factors would have to be weighed in making such a decision.

Additional factors could improve the cotton market in Western Europe—cotton prices competitive with those of rayon and polyester staple, an adequate cotton supply in the staple length and qualities needed by European textile manufacturers, and more satisfactory permanent-press techniques for all cotton. Meanwhile, however, consumers in Western Europe are seeing cotton-manmade blends on sale in greater abundance and for more end uses than ever before.

NOTE: This subject is treated in detail in FAS-M 220, entitled *Cotton-Manmade Fiber Blends in Western Europe* (published last month). Copies may be obtained by writing the Information Service Branch of FAS, Room 5918-S, Washington, D.C. 20250.